



State Board of Equalization

News Release

George Runner, Member

2nd District – Lancaster

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For Immediate Release
April 18, 2014

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BOE to Consider Implementation of Tax Exemption for Manufacturing and Research and Development

Sacramento –The California State Board of Equalization (BOE) will consider the next step in providing guidance for businesses to understand which businesses and what types of purchases and uses of manufacturing and research and development equipment qualify for a 4.1875 percent partial tax exemption during its meeting in Sacramento on April 22, 2014.

“For years, California has been losing manufacturing jobs to other states,” said Board of Equalization Member George Runner. “This new tax exemption will help us in the fight to win back these good-paying jobs. It’s vital to our economy we get this right.”

The sales and use tax exemption, which takes effect July 1, 2014, represents the largest component of the Governor’s Economic Development Initiative. The Board will vote on whether to authorize publication of proposed Regulation 1525.4.

The BOE has met with and received input from stakeholders throughout California. This collaborative process has resulted in BOE staff’s proposed regulation, as well as alternate language provided by various stakeholders for specific sections of the regulation. The Board will decide whether to publish the staff’s recommendation as presented or to include some or all of the alternative language. Businesses will also have the opportunity to submit comments on the published proposal, and to weigh in during a public hearing to be held later in the year.

In addition, the Board will consider adopting amendments for two existing regulations. One clarifies that Lemon Law protections which apply to purchases of defective vehicles also apply to leases. The other amendment specifies that certain businesses may be entitled to relief of tax liabilities if they relied on advice given to a related business in the course of a BOE audit of the related business.

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Elected in November 2010, George Runner represents the State Board of Equalization's Second District. He is a leading advocate for California taxpayers. Runner has worked to improve California’s tax policies and practices and to create and retain more private sector jobs in our state. Prior to his election to the Board, Runner served twelve years in the State

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Legislature, authoring the well-known California Amber Alert and California's Blue Alert. As a thoughtful conservative, his legislative priorities included improving the economy, business growth, education excellence, and public safety for all Californians. As a member of the Senate Revenue and Taxation Committee, Runner consistently led the fight against tax increases and supported tax relief for families and businesses.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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